

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Telecommunications Division
Carrier Branch**

**RESOLUTION T - 17020
April 27, 2006**

R E S O L U T I O N

Resolution T- 17020, Foresthill Telephone Company (U-1009-C), Requests Authority to Grandfather Foreign Exchange Service.

By Advice Letter No. 264 filed on March 9, 2006.

Summary

This Resolution approves Foresthill Telephone Company's (Foresthill) request to grandfather Foreign Exchange (FX) Service.

Background

Foresthill filed Advice Letter (AL) 264 on March 9, 2006 requesting authority to grandfather FX Service. In its AL, Foresthill stated that there are eleven subscribers to this service. On March 13, 2006, Foresthill notified the existing subscribers of its request to the Commission to grandfather this service.

FX Service is a network-provided service in which a telephone in a given local exchange area is connected, via a private line, to a central office in another "foreign" exchange, rather than the local exchange area's central office. FX Service allows subscribers to get their dial tone from another exchange, and to make calls in that same exchange at local rates instead of at higher toll rates.

Foresthill proposes to grandfather the eleven current customers until the customer cancels or changes their existing FX arrangement, or moves to a new address.

Notice/Protests

Foresthill states that copies of AL No. 264 have been mailed to competing and adjacent utilities and interested parties. Notice of AL No. 264 was published in the Commission Daily Calendar on March 13, 2006. No protest to this AL has been received.

Discussion

Foresthill filed AL No. 264 on March 9, 2006 requesting authority to grandfather FX Service. In its advice letter filing, Foresthill stated that there are eleven subscribers to this service. On March 13, 2006, Foresthill sent notices to these subscribers notifying them of its request to grandfather this service. These subscribers had 15 calendar days to submit a comment and no comments to the company's notice were received.

Telecommunications Division (TD) reviewed the advice letter and asked Foresthill to explain why this service was going to be grandfathered and to what alternatives would be available to future customers who wanted FX service.

Foresthill responded to the request and stated that demand for these services does not justify their continued provision. Foresthill explained that FX service has administrative costs as well as costs of dealing with revenue distributions and billing issues with the provider (AT&T.)

Foresthill further explained that when a customer takes an FX circuit with a dial tone in Sacramento, the customer is actually getting services from three different telephone companies. This would include Foresthill who provides the customer's local loop in Foresthill, AT&T Local Exchange Carrier (LEC) who provides the dial tone or switching function in Sacramento, and a toll provider in Sacramento such as AT&T Long Distance Company. Additionally, AT&T LEC has optional services, which are offered at rates applicable to the Sacramento area and available to Foresthill FX subscribers. As a result, Foresthill is required to bill the FX subscriber on behalf of the three telephone carriers for the services provided and for any additional services the subscriber may have subscribed to. Foresthill is also required to administer the collection and distribute the revenues to the three telephone service providers.

Foresthill stated that additional administration effort and cost does not justify the demand for this service. There are only eleven subscribers to this service. Toll rates have gone down and there are other services such as cellular service, special access service point-to-point, toll packages from other toll providers like AT&T and Sprint; that make the FX circuits much less economically viable.

TD concludes that Foresthill's request and reasons to grandfather FX service is reasonable. Existing customers will be grandfathered until they either cancel or change their current FX service or move to a new address. Toll rates have gone down and there are several services such as cellular service, special access service point-to-point, toll packages from other toll providers like AT&T and Sprint available to future customers. Future customers requesting FX service will now be required to make toll calls and will pay per minute toll usage charges on a per call basis.

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU Code Section 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

Findings:

1. Foresthill requests authority to grandfather Foreign Exchange Service.
2. Foresthill states that there are eleven subscribers to this service.
3. Foresthill states that notification via bill insert of Foresthill's proposed changes was mailed to the current subscribers on March 13, 2006 and no comments were received from these subscribers.
4. Subscribers who currently subscribe to the Foreign Exchange Service will continue to receive this service until these subscribers either cancel the service or move to another location.
5. Subscribers who currently subscribe to the Foreign Exchange Service are not allowed to make any additions or changes to their existing Foreign Exchange arrangement.
6. For purposes of this Resolution, current subscribers/customers include immediate family members residing at the premises.

7. After reviewing AL No. 264, TD recommends that the Commission approve this filing.

THEREFORE, IT IS ORDERED that:

1. Foresthill is granted authority to grandfather Foreign Exchange Service to the existing customers until they terminate, change or transfer service.
2. AL No. 264 of Foresthill Telephone Co. and accompanying tariff sheets shall be marked to show that they were authorized by California Public Utilities Commission Resolution No. T-16720 and its effective date.

This Resolution is effective today.

I hereby certify that the Public Utilities Commission at its regular meeting on April 27, 2006 adopted this Resolution. The following Commissioners approved it:

/s/ STEVE LARSON

STEVE LARSON

Executive Director

MICHAEL R. PEEVEY

President

GEOFFREY F. BROWN

DIAN M. GRUENEICH

JOHN A. BOHN

RACHELLE B. CHONG

Commissioners